

AUG 4 1975 - 3 15 AM

SUPPLEMENT NO. 2 TO EQUIPMENT LEASE AND
RIDER THERETO DATED NOVEMBER 16, 1973 ("LEASE"),
BETWEEN DETROIT, TOLEDO AND IRONTON RAILROAD
COMPANY ("LESSEE") AND GREYHOUND LEASING &
FINANCIAL CORPORATION ("LESSOR")

THIS SUPPLEMENT NO. 2, made this 1st day of August, 1975
between Lessor and Lessee;

WITNESSETH:

WHEREAS, Lessor and Lessee have heretofore entered into
the Lease pursuant to which Lessor purchased certain Equipment
(as defined in the Lease) for lease to Lessee over a term of
fifteen (15) years in accordance with the terms and conditions
of the Lease; and

WHEREAS, Lessor and Lessee have heretofore entered into
a Supplement, dated December 30, 1974 ("Supplement"), to the
Lease pursuant to which Lessor purchased certain Additional
Equipment (as defined in the Supplement) for lease to Lessee
over a fifteen (15) year term in accordance with the terms and
conditions of such Supplement; and

WHEREAS, Lessor and Lessee now desire to further supple-
ment the Lease to evidence their agreement whereby Lessor
will purchase and lease to Lessee pursuant to this Supplement
No. 2, in addition to the Equipment and Additional Equipment
now being leased to Lessee, the equipment hereinafter described

NOW, THEREFORE, the parties hereby adopt this Supplement
No. 2 to the Lease and mutually agree as follows:

1. Integration. For purposes of the Supplemental Equip-
ment (hereinafter defined), this Supplement No. 2 shall be
considered a part of the Lease, as if set forth in full therein
as an integral part thereof and shall be construed in conjunctio
therewith, provided, however, in the event of any conflict
between the terms of the Lease and this Supplement No. 2, this
Supplement No. 2 shall control all terms used herein, unless
otherwise defined herein, shall have the meaning attributed
to such terms in the Lease.

2. Supplemental Equipment. The term "Supplemental
Equipment" shall mean:

(a) Eight (8) new General Motors Electro-Motive
Model GP-38-2, 2000 horsepower diesel locomotives (the

"Locomotives") having a total Cost of approximately Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00), and

(b) Twenty (20) new U.S. Railway 100 ton coil steel railroad cars with covers (the "Cars") having a total Cost of approximately Seven Hundred Thousand Dollars (\$700,000.00).

3. Purchase Agreements. Lessee represents and warrants to Lessor that it has submitted, or shall submit, Purchase Agreements to the respective manufacturers of the Supplemental Equipment (the "Vendors"), that the same are, or shall be, binding on both Lessee and the Vendors and that such Purchase Agreements provide for, or shall provide for, delivery of the Supplemental Equipment at the place manufactured by the Vendors. Lessee agrees to assign all its right, title and interest in such Purchase Agreements to Lessor to enable Lessor to purchase the Supplemental Equipment directly from the Vendors, and Lessor agrees to accept such assignments and to assume the obligation of paying Vendors the full purchase price of the Supplemental Equipment; PROVIDED, HOWEVER, that Lessor's assumption shall be limited to this obligation of paying Vendors the full purchase price of the Supplemental Equipment and shall not encompass or include any other obligations of a vendee respecting the Supplemental Equipment, such as inspection, etc.; and, PROVIDED, FURTHER, that if the purchase of the Locomotives from the Vendor thereof is not consummated on or before August 10 1975, and if the purchase of the Cars from the Vendor thereof is not consummated on or before October 31, 1975, for reasons other than a default by Lessor hereunder, or under the Purchase Agreements as assigned to Lessor by Lessee, then Lessor may reassign its right, title and interest in such Purchase Agreements to Lessee, Lessee shall accept such reassignment and Lessor shall have no further obligation to the Vendors under such Purchase Agreements.

4. Purchase and Leasing of Supplemental Equipment. At such time as the Supplemental Equipment is delivered to Lessee by Vendors pursuant to the Purchase Agreements and, at such time as such Supplemental Equipment conforms to what was agreed to be sold under the Purchase Agreements and is deemed by Lessee to be operational and ready for use, Lessee agrees to promptly notify Lessor thereof in writing. Upon receipt by Lessor of the notice described in the preceding sentence and provided that (i) such Supplemental Equipment has not been used by Lessee and (ii) Lessee is not in default under the Lease, the Supplement or this Supplement No. 2, Lessor shall thereupon purchase such Supplemental Equipment within a reasonable time thereafter directly from the Vendors and shall thereupon commence leasing such Supplemental Equipment to Lessee pursuant to the terms and conditions

contained in the Lease and this Supplement No. 2 thereto. To reflect and evidence the placement of units of Supplemental Equipment on lease, Lessor and Lessee shall execute Equipment Lease Schedules ("Schedules") in the form attached to the Lease, such Schedules to contain the rents, term, Stipulated Loss Values, etc. for each unit of Supplemental Equipment covered thereby, in accordance with the provisions of the Lease and this Supplement No. 2 and to serve to appropriate the Supplemental Equipment to the Lease. In the event that any Supplemental Equipment fails to conform and Lessor receives written notice to that effect from Lessee, Lessor agrees not to purchase any such non-conforming Supplemental Equipment. In the event of a dispute between Lessee and either or both of the Vendors regarding whether or not any unit of Supplemental Equipment conforms or is acceptable for delivery, or in the event of a reassignment to Vendors as provided for in paragraph 3 hereof, Lessee agrees to save and hold Lessor harmless from and against any and all claims by the Vendors.

5. Term. The lease term with respect to the Supplemental Equipment shall have a duration, as specified in each Schedule, of fifteen (15) consecutive years, and may not be prematurely terminated by either Lessor or Lessee, except that in the event of a default under the Lease, the Supplement or this Supplement No. 2 by either party, the non-defaulting party may terminate in accordance with applicable provisions respectively therein or herein contained.

6. Rent. Lessee agrees to pay, as consideration for its exclusive use and quiet possession of the Supplemental Equipment during the fifteen year term, a total of sixty (60) consecutive quarterly installments of rent, each of which shall be payable in advance and shall equal 2.869% of the Cost of the Supplemental Equipment. The first installment of rent as to any unit of Supplemental Equipment shall be due simultaneously with the commencement of the term as to such unit. Notwithstanding the foregoing, the parties acknowledge that such quarterly installments of rent are predicated on a U.S. Prime Rate of interest of six and three quarters percent (6.75%), and that such rent shall be subject to periodic modification and variation commencing on the effective date of each Schedule (such date to be deemed a Prime Change Date) applicable to the Supplemental Equipment and during the term hereof with changes in such U.S. Prime Rate in accordance with the formula attached hereto and made a part hereof as Exhibit A.

7. Representations and Warranties of Lessee. Lessee hereby extends the following representations, warranties and covenants:

(a) Lessee is a corporation organized and existing under the laws of the State of Delaware; moreover, Lessee

is in good standing under said laws and is duly qualified to do business wherever the nature of its activities requires such qualification.

(b) Lessee is duly authorized to execute and deliver this Supplement No. 2 to the Lease, and is duly authorized to perform hereunder, and all necessary corporate action by Lessee in order to grant such authority has been duly and properly taken.

(c) The Lease, Supplement, and this Supplement No. 2 and all documents executed in connection therewith are valid and binding obligations that are duly enforceable against Lessee in accordance with their respective terms.

(d) The execution and delivery of this Supplement No. 2 and the performance by the Lessee of its obligations under this Supplement No. 2 will not conflict with any provisions of the Articles of Incorporation or the By-Laws of Lessee, or of any contract, agreement, indenture, or other instrument, or of any statute, order or other provision of law, either binding upon the Lessee, or to which it is subject.

(e) There is no action, litigation, or other proceeding pending or threatened against Lessee before any court or administrative agency which might materially adversely affect the business or operation of Lessee or which would in any way jeopardize the ability of Lessee to perform hereunder.

(f) The financial statements heretofore submitted to Lessor in conjunction with the negotiation of the transaction evidenced by this Supplement No. 2 are true and correct, are not misleading, and present fairly the financial condition and results of operations of Lessee at the dates thereof or for the period which each such statement purports to cover.

(g) Lessee is fully familiar with all the covenants, terms and conditions of the Lease, Supplement and this Supplement No. 2, and Lessee is not in default thereunder or hereunder.

8. Federal Income Tax Benefits and Indemnity. Lessor confirms to Lessee, and Lessee acknowledges, that Lessor contemplates taking the benefits of the Job Investment Development Credit ("JDIC") and accelerated depreciation (herein the "Tax Benefits") on Lessor's purchase and ownership of the Supplemental Equipment leased hereunder, as presently allowable

and available to Lessor under provisions of the Internal Revenue Code of 1954, as amended, and therefore Lessee agrees that Lessee shall not be entitled to, nor will it claim, such Tax Benefits. In the event, however, that, subsequent to the purchase of any unit of the Supplemental Equipment, Lessor should not be able to take advantage of these Tax Benefits on account of (i) any act or omission on the part of Lessee (other than by virtue of the procedure utilized for purchase of the Supplemental Equipment as described and detailed in paragraphs 3 and 4 hereof) causing loss of such Tax Benefits, or (ii) a change in the law relating to such Tax Benefits, which change shall take effect prior to the purchase of the Supplemental Equipment by Lessor, then Lessee agrees to restore Lessor to the same after tax financial position it would otherwise enjoy had such Tax Benefits not been lost or unavailable in the first instance, by paying to Lessor the sum of (a) the amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any federal, state or local government or taxing authority in the United States, or under the laws of any taxing authority or any government subdivision of any foreign country, shall be equal to the amount of the Tax Benefit(s) so lost, and (b) the amount of any interest (including any additions of tax because of underpayment of estimated tax) which may be payable to the United States government by Lessor in connection with such loss of Tax Benefit. In the event that Lessee becomes obligated to pay Lessor any sum or sums pursuant to the provisions of this paragraph 8, then such sum or sums shall become due and payable at the time at which there shall be a "determination" (as that term is defined in Section 1313 of the Internal Revenue Code of 1954, as amended) that Lessor shall no longer be eligible for the retention of the JDIC or depreciation on the Supplemental Equipment. Any sum payable by Lessee to Lessor pursuant to this paragraph 8 may be paid at Lessee's option in a lump sum when due or paid as additional rent in equal quarterly installments (payable on the dates when rent is payable under the terms of the Lease), together with interest at the rate of two (2) points over the then effective U.S. Prime Rate over the balance of the fifteen (15) year term of this Lease, each such installment to be applied first to the payment of interest and the balance to the payment of the principal amount of such sum. It is agreed that the provisions of this paragraph respecting indemnification for lost Tax Benefits shall not apply to the situation where Supplemental Equipment (or Units thereof) is either totally destroyed, lost or stolen with the result that the Lessor receives the Stipulated Loss Value for such totally destroyed, lost or stolen Supplemental Equipment (or Units thereof) and the Lease as to such Supplemental Equipment (or Units thereof) terminates.

9. Lessor's Warranty and Disclaimer. Lessor hereby warrants to Lessee that (i) Lessor has the right to lease the Supplemental Equipment to Lessee in accordance with the terms and conditions of the Lease, this Supplement No. 2 and Schedules, and (ii) Lessee shall enjoy the quiet possession and exclusive use of such Supplemental Equipment during the term of such Lease with respect to the Supplemental Equipment. THE FOREGOING WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF THE MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSES, IT BEING THE UNDERSTANDING THAT LESSEE ACCEPTS THE SUPPLEMENTAL EQUIPMENT "AS IS." Further, in no event shall Lessor be responsible to Lessee for consequential or special damages which may arise as a result of any breach of the Lease or this Supplement No. 2 by Lessor. Lessor agrees to assign any and all warranties which it receives from the Vendors of the Supplemental Equipment, as buyer of said Supplemental Equipment, to Lessee; and, to the extent that any of such warranties are not assignable, Lessee shall be subrogated to any and all of the rights which Lessor may have against said Vendors.

10. Default. By way of an addition to paragraph X of the Lease, LESSEE, FOR AND IN CONSIDERATION OF AND AS AN INDUCEMENT TO LESSOR TO ENTER INTO THIS SUPPLEMENT NO. 2, HEREBY VOLUNTARILY, INTELLIGENTLY, AND KNOWINGLY WAIVES ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO ANY RETAKING, REPOSSESSION OR REPLEVY UNDERTAKEN BY LESSOR, ITS AGENTS OR ASSIGNS UPON DEFAULT OF LESSEE, AND FOR THAT PURPOSE LESSOR MAY, AS FAR AS THE LESSEE CAN GIVE AUTHORITY THEREFOR, ENTER UPON ANY PREMISES ON WHICH THE SUPPLEMENTAL EQUIPMENT MAY THEN BE SITUATED AND REMOVE THE SAME THEREFROM. LESSOR MAY REQUIRE THE LESSEE TO MAKE THE SUPPLEMENTAL EQUIPMENT AVAILABLE TO LESSOR AT A PLACE TO BE DESIGNATED BY LESSOR WHICH IS REASONABLY CONVENIENT TO BOTH PARTIES. LESSEE SHALL BE LIABLE TO LESSOR FOR AND LESSOR MAY RECOVER FROM LESSEE ALL COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND LEGAL EXPENSES, INCURRED BY LESSOR IN OBTAINING POSSESSION OF THE SUPPLEMENTAL EQUIPMENT. Notwithstanding anything to the contrary contained in the Lease, particularly paragraph II(b) and paragraph X thereof, if any installment of rent or other payment due Lessor hereunder or thereunder with respect to the Supplemental Equipment is not paid on or before the due date, such arrearage may, at the election of Lessor, (i) be subject to the maximum legal rate of interest permitted by applicable law or five percent (5%) above the then, current U.S. Prime Rate of Interest (as defined in Exhibit A), whichever is less, and (ii) immediately be deemed a default upon which Lessor may, without notice of default,

exercise all remedies provided in this paragraph 10, paragraph X of the Lease or in law or equity or exercise such remedies if such default shall continue for two (2) business days after receipt by Lessee of written notice of such default.

11. Purchase Option. Notwithstanding anything to the contrary contained in the Lease and Supplement No. 1, it is hereby agreed that upon the expiration of the respective lease terms or any renewal terms for the Equipment, Additional Equipment and Supplemental Equipment, Lessee shall have the option to purchase the Equipment, Additional Equipment, and Supplemental Equipment at their then respective Fair Market Values ("FMV") provided (i) Lessee shall have exercised the aforesaid option in writing as to all and not less than all of the Equipment, Additional Equipment and Supplemental Equipment at least three (3) months and not more than six (6) months prior to the expiration of the lease term or renewal term of the Equipment, and (ii) Lessee is not then in default under the Lease, Supplement No. 1 or No. 2.*

12. Renewal Option. In the event that Lessee should decline or fail to exercise the purchase option granted to it under the immediately preceding paragraph hereof, then Lessee shall have an option to continue leasing the Supplemental Equipment from Lessor on a year to year basis pursuant to the Lease and this Supplement No. 2 at the Fair Rental Value ("FRV") thereof, such FRV to be negotiated and agreed upon prior to the expiration of the fifteen (15) year Lease term with respect to said Supplemental Equipment, PROVIDED, that the same two (2) conditions precedent to the exercise of the purchase option shall have been satisfied.*

13. Commitment Fee. Lessee has heretofore deposited with Lessor a commitment fee for this transaction in the amount of Thirty Two Thousand Seven Hundred Dollars (\$32,700.00) and Lessor acknowledges receipt thereof. Such fee deposit shall be applied by Lessor on a pro-rata basis to the first quarterly rental for the Equipment. If through no fault of Lessor, the purchase and leasing of the Equipment does not occur, Lessor shall retain the fee deposit.

* It is expressly agreed that Lessee has the right to exercise the options provided for in paragraphs 11 and 12 jointly and in quantities as determined by Lessee, provided, however, that all of the Equipment, Additional Equipment and Supplemental Equipment are either purchased or the lease renewed therefor.

14. Conditions. Lessor's obligations with reference to the purchase of the Supplemental Equipment from the Vendors and the leasing of same to Lessee shall be expressly conditioned upon the following:

(a) Lessor shall have received from Lessee an opinion of legal counsel for Lessee, substantially in the form of Exhibit C attached to the Lease;

(b) The ability and willingness of the respective Vendors (i) to sell the Locomotives to Lessor at a total Cost not exceeding Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00) and at a unit Cost not exceeding Three Hundred Forty Three Thousand Seven Hundred Fifty Dollars (\$343,750.00) and to sell the Cars to Lessor at a total Cost not exceeding Seven Hundred Thousand Dollars (\$700,000.00) and at a unit Cost not exceeding Thirty Five Thousand Dollars (\$35,000.00), (ii) to deliver said Locomotives and Cars to Lessor (which Locomotives and Cars must then conform to what was contracted for under the Purchase Agreements), and (iii) to transfer title thereto to Lessor on delivery thereof to Lessor, free and clear of any and all liens and encumbrances on or before August 10, 1975, with respect to the Locomotives and October 31, 1975, with respect to the Cars;

(c) The acceptance of the Supplemental Equipment by Lessee in the manner prescribed in paragraph 4 hereof;

(d) The filing and/or recording of all such documents with such governmental authorities or agencies as shall be reasonably necessary or appropriate in Lessor's judgment in order to protect and preserve Lessor's ownership interest in, and to, the Supplemental Equipment;

(e) A certified copy of Resolution of Lessee's Board of Directors indicating that Lessee has approved this transaction and has designated certain of its officers to act as signatories to this Supplement No. 2 and any other documents required to be executed;

(f) The absence of any material adverse change to Lessee's financial position; and

(g) Lessee's not being in default under the Lease, the Supplement, or this Supplement No. 2.

15. Identification of Units of Supplemental Equipment.

(a) Upon or before the delivery to Lessee of each unit of Supplemental Equipment, Lessee, at its cost and expense, shall cause to be plainly, distinctly, permanently and conspicuously placed or fastened upon each side of each such unit a legend bearing the following words in letters not less than one inch in height:

"GREYHOUND LEASING & FINANCIAL CORPORATION,
PHOENIX, ARIZONA, OWNER AND LESSOR"

(b) In the event any such legend at any time shall be painted over or otherwise made inconspicuous, removed, defaced or destroyed on any such unit during the term of the Lease with respect to the Supplemental Equipment, Lessee shall immediately cause such legend to be restored or replaced. Lessee will not allow the name of any person, association or corporation to be placed on any of such units as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Lessor or its assignee but such units may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate such units under the Lease and this Supplement No. 2.

(c) On or prior to the delivery date of each such unit to Lessee, Lessee shall cause to be placed on each side of each such unit Lessee's assigned number. At all times thereafter, during the term of the Lease with respect to the Supplemental Equipment, Lessee will cause each such unit to bear the number so assigned to it, and Lessee will not change or permit to be changed the numbers of any such units except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with Lessor by the Lessee and filed, recorded or deposited in all public offices where the Lease and/or this Supplement No. 2 will have been filed, recorded or deposited.

16. Consolidation of Lease Transactions and Obligations.

Lessee acknowledges that it now has or may hereafter have other equipment lease transactions with Lessor, such other transactions being subject to Equipment Lease Agreements, Riders, Supplements and Schedules not part of the documents evidencing this lease transaction. Lessee further acknowledges that Lessor views all such transactions with Lessee as a continuing, single

relationship supported by the collective value of all equipment under lease to Lessee. It is therefore acknowledged and agreed by Lessee that, without regard to the number of separate Equipment Lease Agreements, Supplements, Riders or Schedules executed between the parties, a default under any Equipment Lease Agreement, including the Lease, the Supplement, or this Supplement No. 2, or any supplement, rider or Schedule thereto or hereto, not cured within any applicable grace period shall constitute a default under all Equipment Lease Agreements, the Lease, the Supplement, this Supplement No. 2, all supplements, riders and Schedules, and Lessor may, in its discretion, exercise its right of repossession and/or any and all other remedies available to Lessor as to any and/or all items of equipment, whether a default exists under the individual Equipment Lease Agreement, the Lease, the Supplement, this Supplement No. 2 and/or any Schedule covering the equipment which Lessor repossesses or takes other action in respect thereto

17. Miscellaneous.

(a) The Stipulated Loss Values for the Supplemental Equipment for the various quarters during the term shall be those percentages of Cost of the Supplemental Equipment as are stated and set forth in Exhibit B attached hereto and made a part hereof.

(b) All other terms and conditions which shall govern the leasing of the Supplemental Equipment shall be as contained in the Lease (except where explicitly modified in this Supplement No. 2), and the definition "Equipment" in the Lease is hereby expanded to embrace the term "Supplemental Equipment" within its purview.

(c) On the date the audited financial reports are submitted to Lessor as provided in the Lease and at such other times as Lessor may demand, Lessee shall furnish Lessor an accurate statement signed by its President, a Vice President, or chief financial officer (i) setting forth the amount, description and numbers of all units of Equipment, Additional Equipment, and Supplemental Equipment that have been lost, damaged beyond repair or destroyed during the preceding year (or since the date of the Lease in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment, Additional Equipment and Supplemental Equipment as Lessor may reasonably request, (ii) stating that, in the case of all units of Equipment, Additional Equipment and Supplemental Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by this Supplement No. 2 have been preserved or replaced, and (iii) showing the condition of the remaining units of the Equipment, Additional Equipment and Supplemental Equipment in actual service as of the reporting date.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. 2 to be executed in their respective corporate names the day and year first above written.

GREYHOUND LEASING &
FINANCIAL CORPORATION

By: Walter H. Hume
Vice President

By: Joseph E. Hume
Assistant Secretary

DETROIT, TOLEDO AND Ironton
RAILROAD COMPANY

By: H. P. Shuman
Its: President

By: J. Buegner
Its: Vice President

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

On this 1st day of August, 1975, before me personally appeared Walter L. Crowley, to me personally known, who being by me duly sworn says that he is Senior Vice President of Greyhound Leasing & Financial Corporation and Joseph O. Ebner, to me personally known to be the Assistant Secretary of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Louise K. White

Notary Public

My Commission Expires:

LOUISE K. WHITE
Notary Public, Wayne County, Mich.
My Commission Expires March 27, 1978

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

On this 1st day of August, 1975, before me personally appeared K. P. Shoemaker, to me personally known, who being by me duly sworn says that he is _____ President of Detroit Toledo and Ironton Railroad Company and R. Guregian to me personally known to be the Vice President ~~Secretary~~ of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Louise K. White

Notary Public

My Commission Expires:

LOUISE K. WHITE
Notary Public, Wayne County, Mich.
My Commission Expires March 27, 1978

RENTAL PAYMENT ADJUSTMENT

1. For purposes of this Agreement, adjustments to the Rental Payments as hereinafter defined, because of changes in the U.S. Prime Rate (hereinafter the "Prime") will be made four (4) times a year and therefore changes in the Prime will be recognized only four (4) times a year, i.e., December 1, March 1, June 1 and September 1 (hereinafter referred to as the "Prime Change Dates"). On each Prime Change Date the Prime will be compared to the Prime which was in effect on the immediately preceding Prime Change Date. If a change did in fact occur said change will be recognized and an increase or decrease in Prime, whichever is applicable, will be deemed to have occurred. If December 1, March 1, June 1 or September 1 should fall on a non-business day of First National City Bank, said Prime Change Date shall be the first business day thereafter of said bank.
2. If at any time during the basic lease term there should be a change in Prime the quarterly rental payments (hereinafter the "Rental Payments") shall be adjusted in the following manner:
 - (a) If an increase in Prime should be recognized during the basic lease term each Rental Payment due at any time on or subsequent to the first day of the month following the month in which the Prime Change Date upon which said increase was recognized shall be increased by adding to the Initial Rental Payment (i.e. Cost of the Supplemental Equipment times 2.869%) an amount equal to forty percent (40%) of the stipulated loss value of the equipment (hereinafter the "Stipulated Loss Value") applicable on the Prime Change Date upon which said increase was recognized, multiplied by a fraction the numerator of which is the increase in Prime and the denominator of which is 4.
 - (b) If a decrease in Prime should be recognized during the basic lease term, each Rental Payment due at any time on or subsequent to the first day of the month following the month in which the Prime Change Date upon which said decrease was recognized shall be decreased by subtracting from the Initial Rental Payment an amount equal to forty percent (40%) of the Stipulated Loss Value of the equipment applicable on the Prime

EXHIBIT A

Change Date upon which said decrease was recognized, multiplied by a fraction the numerator of which is the decrease in Prime and the denominator of which is 4.

3. In the event of more than one change in the Prime being recognized during the basic lease term the resulting adjustments to the Initial Rental shall be cumulative.
4. For purposes of this Agreement, U.S. Prime Rate shall mean First National City Bank's best rate in effect from time to time on ninety (90) day loans to responsible and substantial commercial borrowers.
5. Notwithstanding anything contained hereinabove to the contrary, at the time of the commencement of the term of each of the respective schedules covered by the Lease, the Prime Change Date for the remainder of the then calendar quarter shall be the first business day of First National City Bank of the then current calendar months. The Prime Change Dates from that time on shall be the same as defined in paragraph hereof.

EXHIBIT B

STIPULATED LOSS VALUES

Detroit, Toledo and Ironton Railroad Co.

<u>Quarter</u>	<u>Percentage</u>	<u>Quarter</u>	<u>Percentage</u>
1	103.51%	31	80.59%
2	104.09%	32	79.10%
3	104.61%	33	77.57%
4	105.07%	34	75.98%
5	105.47%	35	74.35%
6	105.81%	36	72.67%
7	106.10%	37	70.94%
8	106.32%	38	69.16%
9	106.49%	39	67.33%
10	106.60%	40	65.46%
11	106.65%	41	63.54%
12	106.64%	42	61.57%
13	100.16%	43	59.55%
14	100.04%	44	57.48%
15	99.85%	45	55.37%
16	99.61%	46	53.20%
17	99.30%	47	51.00%
18	98.94%	48	48.73%
19	98.52%	49	46.43%
20	98.04%	50	44.07%
21	92.83%	51	41.67%
22	91.83%	52	39.22%
23	90.77%	53	36.72%
24	89.67%	54	34.17%
25	88.52%	55	31.57%
26	87.52%	56	28.93%
27	86.63%	57	26.24%
28	85.68%	58	23.49%
29	83.43%	59	20.71%
30	82.03%	60	15.00%
		and thereafter	